

AMENDED IN ASSEMBLY JUNE 17, 2014

AMENDED IN SENATE APRIL 29, 2014

AMENDED IN SENATE APRIL 2, 2014

AMENDED IN SENATE MARCH 25, 2014

**SENATE BILL**

**No. 1323**

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**Introduced by Senator Lieu**

February 21, 2014

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An act to amend ~~Sections 75.21, 206.1, 254, 254.5, 255, 257, 257.1, 270, 271, and 276 of the Revenue and Taxation Code, relating to taxation.~~ *Section 5157 of the Vehicle Code, relating to vehicles, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1323, as amended, Lieu. ~~Property taxation.~~ *Specialized license plates: Pet Lover's License Plate Program.*

*Existing law establishes a specialized license plate program and requires the Department of Motor Vehicles (DMV) to issue specialized license plates to a sponsoring state agency that meets certain requirements. Existing law requires the DMV to charge specified additional fees for the issuance, renewal, or transfer of specialized license plates, and requires that these additional fees, less the DMV's administrative costs, be deposited in the Specialized License Plate Fund for appropriation and allocation to each sponsoring state agency, as specified.*

*This bill would require the DMV to deposit the additional fees for a specialty license plate issued under the Pet Lover's License Plate Program sponsored by the Veterinary Medical Board, or a successor specialty license plate program sponsored by the board, into the Pet*

*Lover's Specialized License Plate Fund, which the bill would establish. The bill would require that these funds be continuously appropriated to the Veterinary Medical Board for the sole and exclusive purpose of funding grants to providers of no-cost or low-cost animal sterilization services, as specified. By continuously appropriating moneys in the fund to the board, the bill would make an appropriation.*

~~Existing property tax law allows taxes, penalties, and interest imposed for late filings of certain property tax exemption applications to be canceled or refunded in an amount equal to 90% or 85%, as applicable, of any tax, penalty, or interest or any amount of tax, penalty, or interest exceeding \$250, whichever is greater.~~

~~This bill would instead require 90% of any tax, penalty, or interest resulting from the assessed value of the property or that portion of any amount of tax, penalty, or interest that exceeds \$20,000 in total amount, whichever is greater, to be canceled or refunded, provided an appropriate application for exemption is thereafter filed. This bill would require this property tax relief to apply to each claim for exemption filed, and in the case where a claim for exemption is filed for a property location consisting of contiguous parcels, would authorize any tax or penalty or interest thereon resulting from the reduction of the amount of the exemption otherwise available to be applied to a single parcel.~~

~~The California Constitution authorizes the Legislature to exempt from taxation property not used for commercial purposes that is reasonably and necessarily required for the parking of vehicles of persons worshiping on exempt land. Pursuant to this constitutional authorization, existing property tax law exempts from tax any real property that is reasonably and necessarily required for the parking of automobiles by persons engaged in religious activities, as specified. Existing property tax law provides that this exemption shall apply to land and improvements that are not owned by a church, religious denomination, or sect using the land and improvements for the parking of automobiles, provided that certain conditions are met, including, among others, that the congregation of the church, religious denomination, or sect is no greater than 500 members.~~

~~This bill would modify this exemption to apply to any real property that is required for the parking of vehicles, and would remove the limitation that the congregation of the church, religious denomination, or sect be no greater than 500 members.~~

~~Existing property tax law requires applicants for certain property tax exemptions to notify the assessor if the applicant or the property~~

~~becomes ineligible for the exemption, as specified. Existing property tax law requires a penalty to be assessed for failure to provide this notification to the assessor in an amount not to exceed \$250.~~

~~This bill would reduce the \$250 limitation on the penalty for failure to notify the assessor to \$200.~~

~~Existing property tax law requires any person claiming certain property tax exemptions and anyone claiming the classification of a vessel as a documented vessel eligible for assessment, as provided, to submit to the assessor annually an affidavit giving any information required by the board. Existing property tax law requires these affidavits to be filed with the assessor between the lien date and 5 p.m. on February 15.~~

~~This bill would require the affidavit to be submitted for each property location for which the property tax exemption is sought, and would authorize any person claiming any exemption specified above to submit a single claim for a property location consisting of contiguous parcels. This bill would require an affidavit for the disabled veterans' exemption to instead be filed with the assessor any time after the claimant becomes eligible but no later than 5 p.m. on February 15, except as otherwise provided.~~

~~Existing property tax law requires a claim for certain property tax exemptions to be filed by a specified date with the assessor each year. Existing property tax law does not require applicants granted certain property tax exemptions to reapply for the exemption in any subsequent year in which there has been no change in the title to, or the use of, the property. Existing property tax law requires the assessor to annually mail a notice to every applicant relieved of the requirement of filing an annual application, as specified, which is required to include a card in a specified form, to be returned to the assessor by the applicant desiring to maintain eligibility for the exemption.~~

~~This bill would instead require the State Board of Equalization to prescribe the form of the card included with the notice.~~

~~By changing the manner in which property tax refunds for late filings of certain property tax exemptions are made by local county officials, this bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,~~

reimbursement for those costs shall be made pursuant to these statutory provisions.

~~Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.~~

~~This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: ~~no~~<sup>yes</sup>. Fiscal committee: yes. State-mandated local program: ~~yes~~<sup>no</sup>.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 5157 of the Vehicle Code is amended to  
2     read:

3     5157. (a) In addition to the regular fees for an original  
4     registration or renewal of registration, the following additional  
5     fees shall be paid for the issuance, renewal, or transfer of the  
6     specialized license plates:

7         (1) For the original issuance of the plates, fifty dollars (\$50).

8         (2) For a renewal of registration with the plates, forty dollars  
9         (\$40).

10        (3) For transfer of the plates to another vehicle, fifteen dollars  
11        (\$15).

12        (4) For each substitute replacement plate, thirty-five dollars  
13        (\$35).

14        (5) In addition, for the issuance of environmental license plates,  
15     as defined in Section 5103, with a specialized license plate design,  
16     the additional fees prescribed in Sections 5106 and 5108. The  
17     additional fees prescribed in Sections 5106 and 5108 shall be  
18     deposited in the California Environmental License Plate Fund.

19     (b) The Gold Star Family specialized license plate program as  
20     provided in subdivision (d) of Section 5156 shall not be subject  
21     to the fees specified in paragraphs (1), (2), and (5) of subdivision  
22     (a) and shall only be issued in a sequential series.

23     (c) Except as provided in paragraph (5) of subdivision (a), and  
24     after deducting its administrative costs under this section, the  
25     department shall deposit the additional revenue derived from the

1 issuance, renewal, transfer, and substitution of the specialized  
2 license plates in the Specialized License Plate Fund, which is  
3 hereby established in the State Treasury. Upon appropriation by  
4 the Legislature, the moneys in that fund shall be allocated to each  
5 sponsoring agency, in proportion to the amount in the fund that is  
6 attributable to the agency's specialized license plate program.  
7 Except as authorized under Section 5159, the sponsoring agency  
8 shall expend all funds received under this section exclusively for  
9 projects and programs that promote the state agency's official  
10 policy, mission, or work.

11 (d) (1) The Department of Veterans Affairs may actively request  
12 and receive donations for the Gold Star Family License Plate  
13 Account which is hereby created in the Specialized License Plate  
14 Fund and which may consist of donations from public and private  
15 entities. Earnings generated by the Gold Star Family License Plate  
16 Account shall be retained by the account.

17 (2) Upon the determination of the department that there are  
18 sufficient funds in the Gold Star Family License Plate Account  
19 for this purpose, moneys in the Gold Star Family License Plate  
20 Account shall be available, upon appropriation by the Legislature,  
21 to the department for the necessary administrative costs of  
22 establishing the Gold Star Family specialized license plate program.

23 *(e) Notwithstanding subdivision (c), the department shall deposit*  
24 *the additional revenue derived from the issuance, renewal, transfer,*  
25 *and substitution of a specialty license plate issued under the Pet*  
26 *Lover's License Plate Program sponsored by the Veterinary*  
27 *Medical Board, or a successor specialty license plate program*  
28 *sponsored by the Veterinary Medical Board, in the Pet Lover's*  
29 *Specialized License Plate Fund, which is hereby established in the*  
30 *State Treasury. Notwithstanding Section 13340 of the Government*  
31 *Code, all of the moneys in the Pet Lover's Specialized License*  
32 *Plate Fund are continuously appropriated to the Veterinary*  
33 *Medical Board, without regard to fiscal years, for the sole and*  
34 *exclusive purpose of funding grants to providers of no-cost or*  
35 *low-cost animal sterilization services. The Veterinary Medical*  
36 *Board shall consider the recommendations of the California Spay*  
37 *and Neuter License Plate Fund, Inc., in determining how to award*  
38 *grant funds.*

39 ~~SECTION 1. Section 75.21 of the Revenue and Taxation Code~~  
40 ~~is amended to read:~~

1     ~~75.21. (a) Exemptions shall be applied to the amount of the~~  
2 ~~supplemental assessment, provided that the property is not~~  
3 ~~receiving any other exemption on either the current roll or the roll~~  
4 ~~being prepared except as provided for in subdivision (b), that the~~  
5 ~~assessee is eligible for the exemption, and that, in those instances~~  
6 ~~in which the provisions of this division require the filing of a claim~~  
7 ~~for the exemption, the assessee makes a claim for the exemption.~~

8     ~~(b) If the property received an exemption on the current roll or~~  
9 ~~the roll being prepared and the assessee on the supplemental roll~~  
10 ~~is eligible for an exemption and, in those instances in which the~~  
11 ~~provisions of this division require the filing of a claim for the~~  
12 ~~exemption, the assessee makes a claim for an exemption of a~~  
13 ~~greater amount, then the difference in the amount between the two~~  
14 ~~exemptions shall be applied to the supplemental assessment.~~

15     ~~(c) In those instances in which the provisions of this division~~  
16 ~~require the filing of a claim for the exemption, except as provided~~  
17 ~~in subdivision (d), (e), or (f), any person claiming to be eligible~~  
18 ~~for an exemption to be applied against the amount of the~~  
19 ~~supplemental assessment shall file a claim or an amendment to a~~  
20 ~~current claim, in that form as prescribed by the board, on or before~~  
21 ~~the 30th day following the date of notice of the supplemental~~  
22 ~~assessment, in order to receive a 100-percent exemption.~~

23     ~~(1) With respect to property as to which the college, cemetery,~~  
24 ~~church, religious, exhibition, veterans' organization, free public~~  
25 ~~libraries, free museums, or welfare exemption was available, but~~  
26 ~~for which a timely application for exemption was not filed, 90~~  
27 ~~percent of any tax or penalty or interest resulting from the assessed~~  
28 ~~value thereon, or that portion of any amount of tax or penalty or~~  
29 ~~interest resulting from the assessed value thereon that exceeds~~  
30 ~~twenty thousand dollars (\$20,000) in total amount, whichever is~~  
31 ~~greater, shall be canceled or refunded for each supplemental~~  
32 ~~assessment, provided that an appropriate application for exemption~~  
33 ~~is thereafter filed.~~

34     ~~(2) With respect to property as to which the welfare exemption~~  
35 ~~or veterans' organization exemption was available, all provisions~~  
36 ~~of Section 254.5, other than the specified dates for the filing of~~  
37 ~~affidavits and other acts, are applicable to this section.~~

38     ~~(3) With respect to property as to which the veterans' or~~  
39 ~~homeowners' exemption was available, but for which a timely~~  
40 ~~application for exemption was not filed, that portion of tax~~

1 attributable to 80 percent of the amount of exemption available  
2 shall be canceled or refunded, provided that an appropriate  
3 application for exemption is filed on or before the date on which  
4 the first installment of taxes on the supplemental tax bill becomes  
5 delinquent, as provided by Section 75.52.

6 (4) ~~With respect to property as to which the disabled veterans'~~  
7 ~~exemption was available, but for which a timely application for~~  
8 ~~exemption was not filed, that portion of tax attributable to 90~~  
9 ~~percent of the amount of exemption available shall be canceled or~~  
10 ~~refunded, provided that an appropriate application for exemption~~  
11 ~~is thereafter filed.~~

12 (5) ~~With respect to property as to which any other exemption~~  
13 ~~was available, but for which a timely application for exemption~~  
14 ~~was not filed, 90 percent of any tax or penalty or interest resulting~~  
15 ~~from the assessed value thereon, or that portion of any amount of~~  
16 ~~tax or penalty or interest resulting from the assessed value thereon~~  
17 ~~that exceeds twenty thousand dollars (\$20,000) in total amount,~~  
18 ~~whichever is greater, shall be canceled or refunded, for each~~  
19 ~~supplemental assessment, provided that an appropriate application~~  
20 ~~for exemption is thereafter filed.~~

21 Other provisions of this division pertaining to the late filing of  
22 claims for exemption do not apply to assessments made pursuant  
23 to this chapter.

24 (d) ~~For purposes of this section, any claim for the homeowners'~~  
25 ~~exemption, veterans' exemption, or disabled veterans' exemption~~  
26 ~~previously filed by the owner of a dwelling, granted and in effect,~~  
27 ~~constitutes the claim or claims for that exemption required in this~~  
28 ~~section. In the event that a claim for the homeowners' exemption,~~  
29 ~~veterans' exemption, or disabled veterans' exemption is not in~~  
30 ~~effect, a claim for any of those exemptions for a single~~  
31 ~~supplemental assessment for a change in ownership or new~~  
32 ~~construction occurring on or after June 1, up to and including~~  
33 ~~December 31, shall apply to that assessment; a claim for any of~~  
34 ~~those exemptions for the two supplemental assessments for a~~  
35 ~~change in ownership or new construction occurring on or after~~  
36 ~~January 1, up to and including May 31, one for the current fiscal~~  
37 ~~year and one for the following fiscal year, shall apply to those~~  
38 ~~assessments. In either case, if granted, the claim shall remain in~~  
39 ~~effect until title to the property changes, the owner does not occupy~~  
40 ~~the home as his or her principal place of residence on the lien date,~~

1 or the property is otherwise ineligible pursuant to Section 205,  
2 205.5, or 218.

3 (e) ~~Notwithstanding subdivision (c), an additional exemption~~  
4 ~~claim may not be required to be filed until the next succeeding~~  
5 ~~lien date in the case in which a supplemental assessment results~~  
6 ~~from the completion of new construction on property that has~~  
7 ~~previously been granted exemption on either the current roll or the~~  
8 ~~roll being prepared.~~

9 (f) (1) ~~Notwithstanding subdivision (c), an additional exemption~~  
10 ~~claim is not required to be filed in the instance where a~~  
11 ~~supplemental assessment results from a change in ownership of~~  
12 ~~property where the purchaser of the property owns and uses or~~  
13 ~~uses, as the case may be, other property that has been granted the~~  
14 ~~college, cemetery, church, religious, exhibition, veterans'~~  
15 ~~organization, free public libraries, free museums, or welfare~~  
16 ~~exemption on either the current roll or the roll being prepared and~~  
17 ~~the property purchased is put to the same use.~~

18 (2) ~~In all other instances where a supplemental assessment~~  
19 ~~results from a change in ownership of property, an application for~~  
20 ~~exemption shall be filed pursuant to the provisions of subdivision~~  
21 ~~(e).~~

22 (g) ~~The relief authorized under this section applies to each~~  
23 ~~supplemental assessment for which an application for exemption~~  
24 ~~is filed. If a claim for the exemption is filed for a property location~~  
25 ~~consisting of contiguous parcels, and the assessor grants the claim~~  
26 ~~for that property location, any tax or penalty or interest resulting~~  
27 ~~from the reduction of the amount of the exemption otherwise~~  
28 ~~available may be applied to a single parcel.~~

29 SEC. 2. ~~Section 206.1 of the Revenue and Taxation Code is~~  
30 ~~amended to read:~~

31 206.1. (a) ~~Pursuant to the authority of subdivision (d) of~~  
32 ~~Section 4 of Article XIII of the California Constitution, and in~~  
33 ~~accordance with subdivision (b) of this section, all real property~~  
34 ~~that is necessarily and reasonably required for the parking of~~  
35 ~~vehicles of persons who are attending religious services, or are~~  
36 ~~engaged in religious services or worship or any religious activity,~~  
37 ~~is exempt from taxation.~~

38 (b) ~~For purposes of the exemption established by subdivision~~  
39 ~~(a), all of the following shall apply:~~



1     ~~(1) “Real property” means land and improvements or a~~  
2     ~~possessory interest in land and improvements.~~

3     ~~(2) The real property is not required to be contiguous to the land~~  
4     ~~on which the church or other structure used for religious services~~  
5     ~~or as the place of worship or religious activity is located.~~

6     ~~(3) The real property is not at other times used for commercial~~  
7     ~~purposes. For purposes of this paragraph, “commercial purposes”~~  
8     ~~does not include use of the property for the parking of vehicles or~~  
9     ~~bicycles, the revenue from which does not exceed the ordinary~~  
10    ~~and necessary costs of maintaining the real property.~~

11    ~~(4) The exemption shall apply to otherwise qualifying land and~~  
12    ~~improvements regardless of whether the land and improvements~~  
13    ~~are owned by the church, religious denomination, or sect using the~~  
14    ~~land and improvements for the parking of vehicles by persons~~  
15    ~~described in subdivision (a). However, the exemption shall apply~~  
16    ~~to land and improvements that are not owned by the church,~~  
17    ~~religious denomination, or sect using the land and improvements~~  
18    ~~for the parking of vehicles by persons described in subdivision (a)~~  
19    ~~only as long as all of the following conditions are met:~~

20    ~~(A) The church, religious denomination, or sect is engaged in~~  
21    ~~a lease of the land and improvements for the exclusive purpose of~~  
22    ~~the parking of vehicles by persons described in subdivision (a).~~

23    ~~(B) The church, religious denomination, or sect is responsible,~~  
24    ~~under the terms of its lease with the fee owner of the land and~~  
25    ~~improvements, for paying the property taxes levied on the land~~  
26    ~~and improvements. For purposes of this subparagraph, paying~~  
27    ~~property taxes levied on land and improvements includes~~  
28    ~~reimbursement paid to the fee owner of the land and improvements~~  
29    ~~for those taxes.~~

30    ~~(C) The real property is used exclusively for the parking of~~  
31    ~~vehicles by persons described in subdivision (a).~~

32    ~~(D) The fee owner of the real property and the county agree that~~  
33    ~~the fee owner shall pay the total amount of taxes that would be~~  
34    ~~levied on the real property for the current fiscal year and the first~~  
35    ~~two subsequent fiscal years in the absence of a grant of exemption~~  
36    ~~pursuant to this paragraph for the current fiscal year, if the real~~  
37    ~~property is used for any purpose other than that specified in~~  
38    ~~subparagraph (C) during either of those two subsequent fiscal~~  
39    ~~years.~~

1 SEC. 3. ~~Section 254 of the Revenue and Taxation Code is~~  
2 ~~amended to read:~~

3 254. (a) (1) ~~Any person claiming the church, cemetery,~~  
4 ~~college, exhibition, welfare, veterans' organization, free public~~  
5 ~~libraries, free museums, aircraft of historical significance, tribal~~  
6 ~~housing, or public schools property tax exemption and anyone~~  
7 ~~claiming the classification of a vessel as a documented vessel~~  
8 ~~eligible for assessment under Section 227, shall submit to the~~  
9 ~~assessor annually an affidavit, giving any information required by~~  
10 ~~the board.~~

11 (2) ~~The affidavit required pursuant to subdivision (a) shall be~~  
12 ~~submitted for each property location for which the property tax~~  
13 ~~exemption is sought.~~

14 (b) ~~Any person claiming any exemption specified in subdivision~~  
15 ~~(a) may submit a single claim for a property location consisting~~  
16 ~~of contiguous parcels.~~

17 SEC. 4. ~~Section 254.5 of the Revenue and Taxation Code is~~  
18 ~~amended to read:~~

19 254.5. (a) ~~Claims for the welfare exemption and the veterans'~~  
20 ~~organization exemption shall be filed on or before February 15 of~~  
21 ~~each year with the assessor.~~

22 ~~The assessor may not approve a property tax exemption claim~~  
23 ~~until the claimant has been issued a valid organizational clearance~~  
24 ~~certificate pursuant to Section 254.6. Financial statements shall~~  
25 ~~be submitted only if requested in writing by the assessor.~~

26 (b) (1) ~~The assessor shall review all claims for the welfare~~  
27 ~~exemption to ascertain whether the property on which the~~  
28 ~~exemption is claimed meets the requirements of Section 214. The~~  
29 ~~assessor shall also review all claims for the veterans' organization~~  
30 ~~exemption to ascertain whether the property on which the~~  
31 ~~exemption is claimed meets the requirements of Section 215.1. In~~  
32 ~~this connection, the assessor shall consider, among other matters,~~  
33 ~~whether:~~

34 (A) ~~Any capital investment of the owner or operator for~~  
35 ~~expansion of a physical plant is justified by the contemplated return~~  
36 ~~thereon, and required to serve the interests of the community.~~

37 (B) ~~The property on which the exemption is claimed is used for~~  
38 ~~the actual operation of an exempt activity and does not exceed an~~  
39 ~~amount of property reasonably necessary to the accomplishment~~  
40 ~~of the exempt purpose.~~

1     ~~(2) The assessor may institute an audit or verification of the~~  
2     ~~operations of the owner or operator of the applicant's property to~~  
3     ~~ascertain whether both the owner and operator meet the~~  
4     ~~requirements of Section 214.~~

5     ~~(e) (1) The assessor may deny a claim for the welfare exemption~~  
6     ~~on a property, notwithstanding that the claimant has been granted~~  
7     ~~an organizational clearance certificate by the board.~~

8     ~~(2) If the assessor finds that the claimant's property is ineligible~~  
9     ~~for the welfare exemption or the veterans' organization exemption,~~  
10    ~~the assessor shall notify the claimant in writing of all of the~~  
11    ~~following:~~

12    ~~(A) That the property is ineligible for the exemption.~~

13    ~~(B) That the claimant may seek a refund of property taxes paid~~  
14    ~~by filing a refund claim with the county.~~

15    ~~(C) That if the claimant's refund claim with the county is denied,~~  
16    ~~the claimant may file a refund action in superior court.~~

17    ~~(d) Notwithstanding subdivision (a), an applicant, granted a~~  
18    ~~welfare exemption and owning any property exempted pursuant~~  
19    ~~to Section 214.15 or Section 231, shall not be required to reapply~~  
20    ~~for the welfare exemption in any subsequent year in which there~~  
21    ~~has been no transfer of, or other change in title to, the exempted~~  
22    ~~property and the property is used exclusively by a governmental~~  
23    ~~entity or by a nonprofit corporation described in Section 214.15~~  
24    ~~for its interest and benefit. The applicant shall notify the assessor~~  
25    ~~on or before February 15 if, on or before the preceding lien date,~~  
26    ~~the applicant became ineligible for the welfare exemption or if,~~  
27    ~~on or before that lien date, the property was no longer owned by~~  
28    ~~the applicant or otherwise failed to meet all requirements for the~~  
29    ~~welfare exemption.~~

30    ~~Prior to the lien date, the assessor shall annually mail a notice~~  
31    ~~to every applicant relieved of the requirement of filing an annual~~  
32    ~~application by this subdivision.~~

33    ~~The notice shall be in a form and contain that information that~~  
34    ~~the board may prescribe, and shall set forth the circumstances~~  
35    ~~under which the property may no longer be eligible for exemption,~~  
36    ~~and advise the applicant of the duty to inform the assessor if the~~  
37    ~~property is no longer eligible for exemption.~~

38    ~~The notice shall include a card, as prescribed by the board, that~~  
39    ~~is to be returned to the assessor by any applicant desiring to~~

1 maintain eligibility for the welfare exemption under Section 214.15  
2 or Section 231.

3 Failure to return this card does not of itself constitute a waiver  
4 of exemption as called for by the California Constitution, but may  
5 result in onsite inspection to verify exempt activity.

6 (e) ~~Upon any indication that a welfare exemption or veterans'~~  
7 ~~organization exemption on the property has been incorrectly~~  
8 ~~granted, the assessor shall redetermine eligibility for the exemption.~~  
9 ~~If the assessor determines that the property, or any portion thereof,~~  
10 ~~is no longer eligible for the exemption, he or she shall immediately~~  
11 ~~cancel the exemption on so much of the property as is no longer~~  
12 ~~eligible for the exemption.~~

13 (f) ~~If a welfare exemption or veterans' organization exemption~~  
14 ~~on the property has been incorrectly allowed, an escape assessment~~  
15 ~~as provided by Article 4 (commencing with Section 531) of Chapter~~  
16 ~~3 in the amount of the exemption, with interest as provided in~~  
17 ~~Section 506, shall be made, and a penalty shall be assessed for any~~  
18 ~~failure to notify the assessor as required by this section in an~~  
19 ~~amount equaling 10 percent of the escape assessment, but may not~~  
20 ~~exceed two hundred dollars (\$200).~~

21 (g) ~~Pursuant to Section 15640 of the Government Code, the~~  
22 ~~board shall review the assessor's administration of the welfare~~  
23 ~~exemption and the veterans' organization exemption as part of the~~  
24 ~~board's survey of the county assessment roll to ensure the proper~~  
25 ~~administration of the exemption.~~

26 SEC. 5. ~~Section 255 of the Revenue and Taxation Code is~~  
27 ~~amended to read:~~

28 255. (a) ~~Affidavits required for exemptions named in this~~  
29 ~~article, except the homeowners' exemption and the disabled~~  
30 ~~veterans' exemption, shall be filed with the assessor between the~~  
31 ~~lien date and 5 p.m. on February 15.~~

32 (b) ~~Affidavits for the homeowners' exemption except as~~  
33 ~~otherwise provided in Sections 255.1, 255.2, and 275, shall be~~  
34 ~~filed with the assessor any time after the claimant becomes eligible~~  
35 ~~but no later than 5 p.m. on February 15.~~

36 (c) ~~Except as otherwise provided in Sections 276, 276.1, and~~  
37 ~~276.2, affidavits for the disabled veterans' exemption shall be filed~~  
38 ~~with the assessor any time after the claimant becomes eligible for~~  
39 ~~the exemption but no later than 5 p.m. on February 15.~~

~~(d) Notwithstanding the provisions of subdivision (a), any claimant who has been found ineligible for the church exemption or the religious exemption may file an affidavit for a welfare exemption. Affidavits for the welfare exemption filed pursuant to this subdivision shall be filed within 15 days from the date of notification by the assessor of the claimants' ineligibility for the church exemption or the religious exemption.~~

~~SEC. 6. Section 257 of the Revenue and Taxation Code is amended to read:~~

~~257. (a) Any person claiming the religious exemption shall submit to the assessor an affidavit giving specific information relating to property tax exemption.~~

~~(b) The affidavit shall show that:~~

~~(1) The building, equipment, and land are used exclusively for religious purposes.~~

~~(2) The land claimed as exempt is required for the convenient use of the building.~~

~~(3) The property is owned by an entity organized and operating exclusively for religious purposes.~~

~~(4) The entity is nonprofit.~~

~~(5) No part of the net earnings inures to the benefit of any private individual.~~

~~(c) Any exemption granted pursuant to a claim filed in accordance with this section, once granted, shall remain in effect until that time that title to the property changes or the property is no longer used for exempt purposes. Any person who is granted an exemption pursuant to a claim filed in accordance with this section shall notify the assessor by February 15 if the property becomes ineligible for the exemption.~~

~~(d) Upon any indication that a religious exemption has been incorrectly allowed, the assessor shall make a redetermination of eligibility for the religious exemption. If the assessor determines that the property or any portion thereof is no longer eligible for the exemption, he or she shall immediately cancel the exemption on so much of the property as is no longer eligible for exemption.~~

~~If a religious exemption has been incorrectly allowed, an escape assessment as allowed by Article 4 (commencing with Section 531) of Chapter 3 in the amount of the exemption with interest as provided in Section 506 shall be made, together with a penalty for failure to notify the assessor, where applicable, in the amount of~~

1 ~~10 percent of the assessment, but may not exceed two hundred~~  
2 ~~dollars (\$200) in tax liability.~~

3 ~~SEC. 7. Section 257.1 of the Revenue and Taxation Code is~~  
4 ~~amended to read:~~

5 ~~257.1. For the 1983–84 fiscal year and fiscal years thereafter,~~  
6 ~~the assessor shall annually, prior to the lien date, mail a notice to~~  
7 ~~every person who received the religious exemption for the previous~~  
8 ~~fiscal year.~~

9 ~~The notice shall be in a form and contain that information which~~  
10 ~~the board may prescribe, and shall set forth the circumstances~~  
11 ~~under which the property may no longer be eligible for exemption~~  
12 ~~and advise the person of the duty to inform the assessor if the~~  
13 ~~property is no longer eligible for exemption.~~

14 ~~The notice shall include a card, as prescribed by the board, that~~  
15 ~~is to be returned to the assessor by any person who desires to~~  
16 ~~maintain eligibility for the religious exemption.~~

17 ~~SEC. 8. Section 270 of the Revenue and Taxation Code is~~  
18 ~~amended to read:~~

19 ~~270. (a) With respect to property as to which the college,~~  
20 ~~cemetery, church, religious, exhibition, veterans' organization,~~  
21 ~~free public libraries, free museums, public schools, community~~  
22 ~~colleges, state colleges, state universities, tribal housing, or welfare~~  
23 ~~exemption was available but for which a timely application for~~  
24 ~~exemption was not filed, 90 percent of any tax or penalty or interest~~  
25 ~~resulting from the assessed value thereon shall be canceled or~~  
26 ~~refunded provided an appropriate application for exemption is~~  
27 ~~thereafter filed.~~

28 ~~(b) Notwithstanding subdivision (a), that portion of any tax or~~  
29 ~~penalty resulting from the assessed value thereon that exceeds~~  
30 ~~twenty thousand dollars (\$20,000) in total amount shall be canceled~~  
31 ~~or refunded provided it is imposed upon property entitled to relief~~  
32 ~~under subdivision (a) for which an appropriate claim for exemption~~  
33 ~~has been filed.~~

34 ~~(c) The relief authorized under this section applies to each claim~~  
35 ~~for exemption filed. In the case where a claim for exemption is~~  
36 ~~filed for a property location consisting of contiguous parcels, and~~  
37 ~~the assessor grants the claim for that property location, any tax or~~  
38 ~~penalty or interest thereon resulting from the reduction of the~~  
39 ~~amount of the exemption otherwise available may be applied to a~~  
40 ~~single parcel.~~

1     ~~(d) With respect to property as to which the welfare exemption~~  
2     ~~or veterans' organization exemption was available, Section 254.5,~~  
3     ~~other than the specified dates for the filing of affidavits and other~~  
4     ~~acts, is applicable to this section.~~

5     ~~SEC. 9. Section 271 of the Revenue and Taxation Code is~~  
6     ~~amended to read:~~

7     ~~271. (a) Provided that an appropriate application for exemption~~  
8     ~~is filed within 90 days from the first day of the month following~~  
9     ~~the month in which the property was acquired or by February 15~~  
10    ~~of the following calendar year, whichever occurs earlier, any tax~~  
11    ~~or penalty or interest resulting from the assessed value imposed~~  
12    ~~upon:~~

13    ~~(1) Property owned by any organization qualified for the college,~~  
14    ~~cemetery, church, religious, exhibition, veterans' organization,~~  
15    ~~tribal housing, or welfare exemption that is acquired by that~~  
16    ~~organization during a given calendar year, after the lien date but~~  
17    ~~prior to the first day of the fiscal year commencing within that~~  
18    ~~calendar year, when the property is of a kind that would have been~~  
19    ~~qualified for the college, cemetery, church, religious, exhibition,~~  
20    ~~veterans' organization, tribal housing, or welfare exemption if it~~  
21    ~~had been owned by the organization on the lien date, shall be~~  
22    ~~canceled or refunded.~~

23    ~~(2) Property owned by any organization that would have~~  
24    ~~qualified for the college, cemetery, church, religious, exhibition,~~  
25    ~~veterans' organization, tribal housing, or welfare exemption had~~  
26    ~~the organization been in existence on the lien date, that was~~  
27    ~~acquired by it during that calendar year after the lien date in that~~  
28    ~~year but prior to the commencement of that fiscal year, and of a~~  
29    ~~kind that presently qualifies for the exemption and that would have~~  
30    ~~so qualified for that fiscal year had it been owned by the~~  
31    ~~organization on the lien date and had the organization been in~~  
32    ~~existence on the lien date, shall be canceled or refunded.~~

33    ~~(3) Property acquired after the beginning of any fiscal year by~~  
34    ~~an organization qualified for the college, cemetery, church,~~  
35    ~~religious, exhibition, veterans' organization, tribal housing, or~~  
36    ~~welfare exemption and the property is of a kind that would have~~  
37    ~~qualified for an exemption if it had been owned by the organization~~  
38    ~~on the lien date, whether or not that organization was in existence~~  
39    ~~on the lien date, shall be canceled or refunded in the proportion~~

1 that the number of days for which the property was so qualified  
2 during the fiscal year bears to 365.

3 (b) ~~Ninety percent of any tax or penalty or interest resulting~~  
4 ~~from the assessed value thereon imposed upon property that would~~  
5 ~~be entitled to relief under subdivision (a) or Section 214.01, except~~  
6 ~~that an appropriate application for exemption was not filed within~~  
7 ~~the time required by the applicable provision, shall be canceled or~~  
8 ~~refunded provided that an appropriate application for exemption~~  
9 ~~is filed after the last day on which relief could be granted under~~  
10 ~~subdivision (a) or Section 214.01.~~

11 (c) ~~Notwithstanding subdivision (b), that portion of any tax or~~  
12 ~~penalty or interest resulting from the assessed value thereon that~~  
13 ~~exceeds twenty thousand dollars (\$20,000) in total amount shall~~  
14 ~~be canceled or refunded provided it is imposed upon property that~~  
15 ~~would be entitled to relief under subdivision (a) except that an~~  
16 ~~appropriate application for exemption was not filed within the time~~  
17 ~~period required by the applicable provision, so long as an~~  
18 ~~appropriate claim for exemption has been filed.~~

19 (d) ~~The relief authorized under this section applies to each claim~~  
20 ~~for exemption filed. In the case where a claim for exemption is~~  
21 ~~filed for a property location consisting of contiguous parcels, and~~  
22 ~~the assessor grants the claim for that property location, any tax or~~  
23 ~~penalty or interest thereon resulting from the reduction of the~~  
24 ~~amount of the exemption otherwise available may be applied to a~~  
25 ~~single parcel.~~

26 (e) ~~With respect to property acquired after the beginning of the~~  
27 ~~fiscal year for which relief is sought, subdivisions (b) and (c) shall~~  
28 ~~apply only to that pro rata portion of any tax or penalty or interest~~  
29 ~~resulting from the assessed value thereon that would have been~~  
30 ~~canceled or refunded had the property qualified for relief under~~  
31 ~~paragraph (3) of subdivision (a).~~

32 SEC. 10. ~~Section 276 of the Revenue and Taxation Code is~~  
33 ~~amended to read:~~

34 276. (a) ~~Except as otherwise provided by subdivision (b), for~~  
35 ~~property for which the disabled veterans' exemption described in~~  
36 ~~Section 205.5 was available, but for which a timely claim was not~~  
37 ~~filed, 90 percent of any tax, including any interest or penalty~~  
38 ~~thereon, levied upon that portion of the assessed value of the~~  
39 ~~property that would have been exempt under a timely and~~



1 appropriate claim shall be canceled or refunded, provided that an  
2 appropriate claim for exemption is thereafter filed.

3 Cancellations made under this subdivision are subject to the  
4 provisions of Article 1 (commencing with Section 4985) of Chapter  
5 4. Refunds issued under this subdivision are subject to the  
6 limitations periods on refunds as described in Article 1  
7 (commencing with Section 5096) of Chapter 5.

8 (b) If a late-filed claim for the one-hundred-fifty-thousand-dollar  
9 (\$150,000) exemption is filed in conjunction with a timely filed  
10 claim for the one-hundred-thousand-dollar (\$100,000) exemption,  
11 the amount of any exemption allowed under the late-filed claim  
12 under subdivision (a) shall be determined on the basis of that  
13 portion of the exemption amount, otherwise available under  
14 subdivision (a), that exceeds one hundred thousand dollars  
15 (\$100,000).

16 (c) For those claims filed pursuant to subdivision (a) after  
17 November 15, the exemption under that subdivision may be applied  
18 to the second installment. If that exemption is so applied, the first  
19 installment is still delinquent on December 10, and is subject to  
20 delinquent penalties provided for in this division if that installment  
21 is not timely paid. A refund shall be made to the taxpayer upon a  
22 claim submitted to the auditor if the exemption is applied to the  
23 second installment and either of the following is true:

24 (1) Both installments are paid on or before December 10.

25 (2) The reduction in taxes resulting from the exemption exceeds  
26 the amount of taxes due on the second installment.

27 SEC. 11. If the Commission on State Mandates determines  
28 that this act contains costs mandated by the state, reimbursement  
29 to local agencies and school districts for those costs shall be made  
30 pursuant to Part 7 (commencing with Section 17500) of Division  
31 4 of Title 2 of the Government Code.

32 SEC. 12. Notwithstanding Section 2229 of the Revenue and  
33 Taxation Code, no appropriation is made by this act and the state  
34 shall not reimburse any local agency for any property tax revenues  
35 lost by it pursuant to this act.